



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 22, 2007

H.R. 1429 **Improving Head Start Act of 2007**

*As ordered reported by the House Committee on Education and Labor
on March 14, 2007*

SUMMARY

H.R. 1429 would reauthorize the Head Start program through 2012. Head Start was authorized through 2003 by the Coats Human Services Reauthorization Act of 1998 (Public Law 105-285) and has since been extended through annual appropriation acts.

CBO estimates that the bill would authorize additional appropriations of \$6.0 billion in 2008 and \$36.8 billion over the 2008-2012 period, assuming that annual authorizations are adjusted for inflation when specific annual appropriation levels are not provided. (Without such inflation adjustments, the authorizations would total about \$35.4 billion over the 2008-2012 period.) CBO estimates that appropriation of the authorized levels would result in additional outlays of \$33.1 billion over the 2008-2012 period, assuming annual adjustments for inflation. (Outlays would total about \$31.9 billion without adjustments for inflation.) Enacting H.R. 1429 would not affect direct spending or receipts.

H.R. 1429 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA). Any costs to state, local, or tribal governments would result from complying with conditions for receiving federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1429 is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION						
Head Start Spending Under Current Law						
Budget Authority ^a	6,889	1,389	0	0	0	0
Estimated Outlays	6,846	3,751	761	97	14	0
Proposed Changes						
Estimated Authorization Level	0	5,961	7,490	7,629	7,769	7,916
Estimated Outlays	0	3,398	6,654	7,464	7,689	7,847
Total Spending Under H.R. 1429						
Estimated Authorization Level	6,889	7,350	7,490	7,629	7,769	7,916
Estimated Outlays	6,846	7,149	7,415	7,560	7,703	7,847

NOTES: Components may not sum to totals because of rounding.

a. The 2007 level is the amount appropriated for the Head Start program, including an advance of \$1.389 billion. The 2008 level is the amount provided in an advance appropriation.

BASIS OF ESTIMATE

H.R. 1429 would reauthorize the Head Start program through 2012. The program is currently authorized through September 30, 2007, by the Revised Continuing Appropriations Resolution, 2007 (Public Law 110-5). For this estimate, CBO assumes that the bill will be enacted before the start of fiscal year 2008, that the estimated amounts shown in the table will be appropriated for each year, and that outlays will follow historical spending patterns.

The Head Start program provides comprehensive child development services to low-income children. Services include education, health, nutrition, and social services with the goal of increasing the school readiness of young children in low-income families.

The bill would authorize the appropriation of \$7.350 billion in 2008 (including the \$1.389 billion advance already appropriated for fiscal year 2008), and such sums as may be necessary in 2009 through 2012. CBO estimates that the total authorizations of additional appropriations for the 2008- 2012 period would be \$36.8 billion, assuming adjustments for inflation from 2009 through 2012, with resulting additional outlays of \$33.1 billion over those five years.

Funding for this program for a given fiscal year is provided by both a regular appropriation for that fiscal year and an advance appropriation provided earlier. Although the program has been funded by two separate appropriations since 2001, funding does not need to be authorized separately because all of the funds for a fiscal year could be provided in one appropriation.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1429 contains no intergovernmental or private-sector mandates as defined in UMRA. Grant funds authorized by the bill would benefit state, local, and tribal governments that participate in the Head Start program. Any costs they incur from complying with increased management and oversight responsibilities would result from complying with conditions for receiving federal assistance.

PREVIOUS CBO ESTIMATE

On March 20, 2007, CBO transmitted a cost estimate for S. 556 as ordered reported by the Senate Committee on Health, Education, Labor, and Pensions on February 14, 2007. That bill would authorize the overall Head Start program from 2008 through 2012. S. 556 would authorize slightly more funding than H.R. 1429, including two new grant programs that are not in the House bill. It also would establish a specific authorization level for Head Start for 2009 and 2010, whereas H.R. 1429 would authorize such sums as necessary for those years.

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